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6 November 2024

# **BRAEMAR PLC**

("Braemar", the "Company" and together with its subsidiaries the "Group")

## **UNAUDITED HALF YEAR RESULTS**

*For the six months ended 31 August 2024*

### ***Strengthening and diversifying to build further resilience***

Braemar Plc (LSE: BMS), a leading provider of expert investment, chartering and risk management advice to the shipping and energy markets, announces its unaudited half-year results for the six months ended 31 August 2024 ("HY25" or the "Period").

The business performed well in the first half of the year, with the strength of Braemar's diversification, resilience, and operational scale, built over the last three years, in evidence. Solid growth in the Investment and Risk Advisory segments more than offset a weaker Chartering segment, helping to drive overall Group performance and deliver HY25 revenue 60% higher than HY22 when the strategy was implemented.

Braemar remains on track to meet its stated objective of doubling FY21's underlying operating profit on a sustainable basis and is on course to meet market expectations<sup>1</sup> for FY25.

### **Increased interim dividend**

The board continues to view the future of the business with confidence and is pleased to declare an interim dividend of 4.5 pence per share<sup>3</sup>, a 13% increase on HY24 (HY24: 4.0 pence), and in line with the Group's progressive dividend policy.

### **Financials**

	Underlying <sup>2</sup>			Statutory		
	HY25	HY24	% change	HY25	HY24	% change
Revenue	£76.0m	£74.9m	1%	£76.0m	£74.9m	1%
Operating profit	£7.3m	£6.7m	9%	£4.6m	£2.2m	108%
Profit before tax	£6.2m	£6.0m	3%	£3.6m	£1.9m	89%
Profit after tax	£4.6m	£5.1m	(10%)	£2.1m	£1.6m	37%
Underlying earnings per share (basic)	14.55p	17.43p	(17%)	6.83p	5.37p	27%
Dividend per share	4.5p	4.0p	13%	4.5p	4.0p	13%
Net cash	£3.2m	£3.1m	5%	£3.2m	£3.1m	5%

## Financial highlights

- Revenue up 1% year on year (or 3% on a USD basis) to £76.0 million
- Underlying operating profit<sup>2</sup> up 9% to £7.3 million (HY24: £6.7 million), with operational leverage now evident
- Underlying operating profit of £7.9 million (HY24: £7.6 million) after adjusting for acquisition-related expenditure
- Net cash position of £3.3 million at 31 August 2024 (HY24: £3.1 million and FY24: £1.0 million)
- Interim dividend increased to 4.5 pence per share (HY24: 4.0 pence), reflecting a solid financial performance and the board's confidence in the outlook for the Group

## Operational highlights

- Increase in revenue driven by the Investment and Risk Advisory segments more than offset a weaker Chartering segment
- Strong forward order book of 80.9 million at 31 August 2024 (29 February 2024: 82.6 million; 31 August 2023: 67.2 million)
- Average revenue per head remains strong at £181,000 (HY24: £184,000), 227,000 (HY24: 228,000)
- Increase in average commissions per fixture offset lower fixture numbers overall, reflecting increased voyage times due to geo-political events impacting fleet availability
- South Korea office opened during the Period, the Group now has 17 offices globally

## Outlook

- Market conditions remain healthy
- Forward order book continues to be strong, 85.8 million as at 30 September 2024
- The diversification across shipbroking and the growing securities business is delivering a more balanced business with sustainable revenue
- Opportunities exist for both organic and inorganic growth with a number of complementary opportunities being considered, and the executive team remains focused on further executing the Group's growth strategy
- The Group is on track to meet FY25 market expectations<sup>1</sup>

**James Gundy, Group Chief Executive Officer, said:**

***"I am delighted with the Group's performance for the first half of FY25. Our strategy has been to build a business that can deliver sustainable profits through a more balanced and diversified shipbroking and securities offering, and this is now evident. Our performance in the first half illustrates the benefits from this strategy. The acquisitions made in FY23 are performing well and we have an increasingly diversified revenue mix, achieving an increase in total revenue. As we continue to scale, we remain focused on cost control and efficiencies, which combined with our increased revenues achieved an underlying operating profit of £7.3m, an increase of 9% (HY24: £6.7 million), £7.9 million before acquisition related items (HY24: £7.6 million), showing that operational leverage is coming through."***

***"The outlook for the shipping industry remains positive with exciting opportunities for further organic and inorganic growth. Our growing scale, expertise and infrastructure places Braemar in a strong position to attract talented individuals and businesses as we continue to successfully execute our growth plans."***

- 1 Consensus at the time of this announcement: Revenue £152.7 million (£150.8 million - £154.7 million), Underlying operating profit (before acquisition-related expenditure) £17.8 million (£17.4 million to £18.4 million)
- 2 Underlying results measures are before specific items, including acquisition and disposal-related charges and profit/loss from discontinued operations (see Note 5)
- 3 The interim dividend will be paid on 13 January 2025 to shareholders on the register at the close of business on 22 November 2024, with a corresponding ex-dividend date of 21 November 2024. The last date for Dividend Reinvestment Plan elections will be 18 December 2024

## Results presentations

A presentation for analysts will be held today at 10.30 a.m. at Burson Buchanan's offices at 107 Cheapside, London, EC2V 6DN. Please contact the team at Burson Buchanan via [braemar@buchanan.uk.com](mailto:braemar@buchanan.uk.com) for further details.

A copy of the presentation and meeting recording will be made available on the Investor Relations section of Braemar's website later today: <https://braemar.com/investors/>. The Company is also hosting an online investor presentation for retail investors with Q&A on Friday, 8 November 2024, commencing at 1.00 p.m. To participate, please register with PI World at [https://bit.ly/BMS\\_H125\\_results\\_webinar](https://bit.ly/BMS_H125_results_webinar).

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**About Braemar Plc**

Braemar provides expert advice in shipping investment, chartering, and risk management to enable its clients to secure sustainable returns and mitigate risk in the volatile world of shipping. Our experienced brokers work in tandem with specialist professionals to form teams tailored to our customers' needs, and provide an integrated service supported by a collaborative culture.

Braemar joined the Official List of the London Stock Exchange in November 1997 and trades under the symbol BMS.

For more information, including our investor presentation, visit [www.braemar.com](http://www.braemar.com) and follow Braemar on [LinkedIn](#).

**Reconciliation of underlying profit before tax to reported profit before tax for the Period**

	<b>HY25</b> <b>£m</b>	<b>HY24</b> <b>£m</b>
<b>Underlying operating profit</b>	<b>7.3</b>	<b>6.7</b>
Specific items	(2.7)	(4.5)
<b>Reported operating profit</b>	<b>4.6</b>	<b>2.2</b>

**Alternative Performance Measures ("APMs")**

Braemar uses APMs as key financial indicators to assess the underlying performance of the Group. Management considers the APMs used by the Group to better reflect business performance and provide more useful information to investors and other interested parties. Our APMs include underlying operating profit, underlying profit before tax, underlying earnings per share and net debt. Explanations of these terms and their calculation are shown in the summary above and in detail in our Operating and Financial Review.

*This document contains forward-looking statements, including statements regarding the intentions, beliefs or current expectations of our directors, officers and employees concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the business. These statements are based on current expectations and assumptions and only relate to the date on which they are made. They should be treated with caution due to the inherent risks, uncertainties and assumptions underlying any such forward-looking information. The Group cautions investors that a number of factors, including matters referred to in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement, including general business and economic conditions globally, industry trends, competition, changes in government and other regulation and policy, interest rates and currency fluctuations, and political and economic uncertainty (including as a result of global pandemics). Neither the Group, nor any of the directors, officers or employees, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Undue reliance should not be placed on these forward-looking statements. Other than in accordance with our legal and regulatory obligations, the Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

**CHAIRMAN'S STATEMENT**

The Group's performance for the first six months of the year clearly illustrates that our growth strategy, building more diversified revenue in shipbroking and securities, has built a resilient and sustainable business with improved revenue and operating profit. The Group is well positioned for further growth through making key hires and strategic acquisitions, further enhancing resilience and sustainable performance.

Revenue at £76 million was slightly above the prior year, with a strong performance from Investment Advisory more than offsetting weaker Chartering revenue, whilst our Risk Advisory segment has continued its growth, increasing its revenue by 16% from the same period last year.

revenue by 10% from the same period last year.

Costs remain well controlled, and overall underlying operating profit at £7.3 million was £0.6 million (9%) higher than the same period last year. After adjusting for acquisition related items, underlying operating profit was £7.9 million (HY24: £7.6 million).

In 2022, the Group made a commitment to double its FY21 underlying profit by FY25. The Group achieved this in FY23 as well as in FY24 and is on course for FY25. This reflects the improved quality of the business as well as the hard work and dedication of everyone at Braemar and their commitment to our clients; I would like to take this opportunity to thank all of our people.

The outlook for Braemar and shipping markets remains positive. As a result of the strong underlying financial performance in the Period and the positive outlook, I am delighted that the board has declared an interim dividend of 4.5 pence per share. This will be paid on 13 January 2025 to all shareholders on the register at the close of business on 22 November 2024. The last date for Dividend Reinvestment Plan ("DRIP") elections will be 18 December 2024. The DRIP is provided by Equiniti Financial Services Limited. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip).

**Nigel Payne**  
Chairman

## **CHIEF EXECUTIVE OFFICER'S STATEMENT**

This robust performance shows the importance of building a more diversified offering by product and geography, allowing Braemar to be well positioned to deliver sustainable revenue and profit growth.

The acquisitions made in FY23 performed well and continue to realise the benefits of being part of the Group. Additionally, our Risk Advisory segment increased its revenue by 16% from the prior year. We have continued to focus on building a platform for growth, ensuring that as we grow revenue through hiring and further acquisitions, we see the operational leverage come through to growing our profits.

We now have offices in seventeen countries following the opening of our South Korea office in May 2024 with plans for further geographical expansion. In addition, there continue to be opportunities to acquire additional businesses that complement our strategy. We nevertheless remain disciplined in our approach, ensuring that any acquisitions are complementary and enhance our existing business.

During this Period, geo-political events have continued to impact the shipping industry, leading to longer voyage times. These factors are further impacting the available global fleet which has increased average commissions per fixture but resulted in a reduced number of fixtures in the Period. Braemar takes compliance with all laws and regulations very seriously and is committed to carrying out the appropriate due diligence and checks on its clients and transactions.

With global trade remaining strong, an ageing fleet and limited capacity in the yards for newbuilding, the outlook for the shipping industry remains positive, and we have a clear strategy to continue our growth trajectory.

I am very proud of how we have reshaped the business over the last three years, and we look to the future with confidence.

**James Gundy**  
Group Chief Executive Officer

## OPERATING AND FINANCIAL REVIEW

As a result of the streamlined business and focus on our core Shipbroking activities, as in the prior year, the Group is presenting three business segments: Investment Advisory, Chartering and Risk Advisory.

<b>Investment Advisory</b>	Sale and Purchase Corporate Finance
<b>Chartering</b>	Deep Sea Tankers Specialised Tankers Offshore Dry Cargo
<b>Risk Advisory</b>	Securities

Revenue	HY25 £m	HY24 £m	Change %
Chartering	49.8	52.6	(5%)
Investment Advisory	14.7	12.4	19%
Risk Advisory	11.5	9.9	16%
<b>Total in Sterling</b>	<b>£76.0</b>	<b>£74.9</b>	<b>1%</b>
<b>Total in US dollars</b>	<b>95.1</b>	<b>92.6</b>	<b>3%</b>

Chartering performance in the Period showed resilience despite being weaker than the prior period, primarily driven by less Deep Sea Tanker activity although this was partly offset by a strong performance from the Offshore desk.

Investment Advisory achieved a stronger performance, driven by Sale & Purchase, whilst Corporate Finance remained quiet with fewer significant mandates completing in the Period. This revenue can be lumpier and the pipeline for H2 looks promising.

Risk Advisory continued to grow, as we organically expanded our offering to meet the risk management and trading requirements of our clients.

As at 30 September 2024, the forward order book totalled 85.8 million, compared with US 82.6m as at 29 February 2024. This represents an increase of 3.2 million in the seven months to 30 September 2024.

Most of the Group's revenue is in US dollar. US dollar revenue grew by 3%, whilst reported GBP revenue increased by 1%, reflecting the weakening of the US dollar in the Period.

## SEGMENTAL PERFORMANCE

### CHARTERING

	HY25 £m	HY24 £m	Change %
Revenue	49.8	52.6	(5%)
Underlying operating profit	6.1	6.4	(4%)

#### *Tankers*

Revenue from Deep Sea Tankers in HY25 was £25.7 million, 10% lower due to a reduced level of projects revenue and decreased fixtures compared with HY24. Fixture numbers were impacted by longer voyage times due to ongoing geo-political events impacting fleet availability. The acquisitions of businesses in the USA and Spain continued to perform strongly. Overall, tanker rates remained relatively robust, and this is expected to continue.

Revenue for Specialised Tankers in HY25 was £9.1million, £0.2 million lower than the prior year. However, the international reach of the desk continued to grow, and rates remained strong, with higher average commission per fixture driven by longer voyages offsetting reduced fixture numbers.

#### *Offshore Energy Services*

Revenue for Offshore Energy Services was £4.4 million, a 16% improvement on HY24 driven both by strong oil and gas sectors, as well as the continuing growth in the renewables sector and constrained supply of vessels.

### ***Dry Cargo***

Revenue for Dry Cargo was £10.6 million, a 3% decrease on prior year. Rates improved slightly during the Period; however, this was offset by a reduction in fixture numbers driven by a lower number of brokers on the Handy and Panamax desks.

With the lower revenue, underlying operating profit was £6.1 million, £0.3 million (4%) lower than the previous period.

## **INVESTMENT ADVISORY**

	<b>H1 FY24 £m</b>	<b>H1 FY23 £m</b>	<b>Change %</b>
Revenue	14.7	12.4	19%
Underlying operating profit	2.4	1.7	44%

### ***Sale and Purchase***

Total revenue for Sale and Purchase in HY25 was £14.0 million, a 25% increase on the prior period. During the Period, second-hand asset values continued to be strong across all vessel types and newbuilding interest remained high with limited newbuilding slots available. Given the high asset values, and demand, activity in the demolition space continued to be weaker.

### ***Corporate Finance***

Total revenue for Corporate Finance in HY25 was £0.7 million, a decrease of 40% on prior year, with no significant mandates completing in the Period. This revenue tends to be lumpier in nature and the business continues to work on several transactions that are planned to complete in the second half of the year. As a result, performance is expected to improve in H2.

The improved underlying operating profit in the Investment Advisory segment reflects the improved revenue performance and operational leverage.

## **RISK ADVISORY**

	<b>HY25 £m</b>	<b>HY24 £m</b>	<b>Change %</b>
Revenue	11.5	9.9	16%
Underlying operating profit	1.5	1.4	12%

### ***Securities***

Revenue for Securities was £11.5 million, a 16% increase on HY24 as the division continued to grow.

The Dry FFA desk performed well with strong underlying market conditions and heightened interest from financial participants. Ongoing geopolitical tensions continue to create market uncertainty, underscoring the need for our clients to hedge their market exposure. In addition, the industry leading market platform, Braemarscreen.com, has continued to gain new users and business.

The Natural Gas desk is now in its second year and has continued to grow, working with clients to manage their risk exposure.

The Tanker FFA desk also grew year on year as geopolitical factors continued to bring volatility to the market.

Operating profit at £1.5 million, was £0.1 million higher than the previous period as the segment continues to invest for future growth.

for future growth.

### Other operating costs

Central costs	HY25 £m	HY24 £m	Change %
Central costs	2.8	2.7	2%

Central costs were up 2% in the Period as the Group continued to balance a continued focus on cost control and efficiencies whilst also selectively investing to support future growth.

### Specific items

	HY25 £m	HY24 £m
Operating costs	0.4	1.9
Acquisition related items	2.3	2.6
Other items	(0.1)	(0.4)

The Group has separately identified certain items that are not part of the underlying trading of the Group. These specific items are material in both size and/or nature and the directors believe that they may distort the understanding of the underlying performance of the business. Specific items included within operating costs mainly relate to the impairment of a right-of-use asset relating to an unused portion of the Group's leased office space following the termination of the related subleases.

Acquisition related costs are primarily employment costs relating to the treatment of the consideration for the acquisition of Southport Maritime Inc. (USA) and post contractual costs relating to the Madrid team. Other items include a gain on the revaluation of the embedded derivatives and a foreign exchange gain relating to the convertible loan notes issued on the acquisition of the Naves business. For further details see Note 5.

### Foreign exchange

The majority of the Group's revenue is earned in US dollar. The US dollar exchange rate relative to Sterling weakened from US 1.26:£1 at 29 February 2024 to US 1.31:£1 at 31 August 2024.

At 31 August 2024, the Group held forward currency contracts to sell US 110.9 million at an average rate of US 1.26/£1.

The Group also has material liabilities in Euros and the Euro rate weakened slightly against Sterling from €1.17:£1 at 29 February 2024 to €1.18:£1 at 31 August 2024.

### Balance sheet

Net assets at 31 August 2024 were £85.0 million (29 February 2024: £79.6 million). A review aimed at identifying evidence of impairment of intangible assets was carried out and no such impairment was identified.

Long-term receivables decreased by £2.9 million to £1.7 million (29 February 2024: £4.6 million), due to contingent consideration and joining incentives moving to current other receivables.

Trade and other receivables increased by £3.7 million to £41.5 million (29 February 2024: £37.7 million), reflecting higher receivables from the Sale & Purchase desk.

The pension surplus increased by £0.4 million to £1.8 million during the Period (29 February 2024: £1.4 million) largely due to a reduction in the applicable tax rate, from 35% to 25%.

Shares held in the Group's Employee Share Ownership Plan ("ESOP") decreased by £3.6 million from £7.1 million at 29 February 2024 to £3.5 million at 31 August 2024, due to shares allocated by the ESOP.

### Borrowings and cash

At 31 August 2024, the Group held cash of £26.0 million (28 February 2024: £28.0 million). The decrease in cash was largely attributable to the payment of dividends in the Period.

The Group continued to pay down debt and the net cash position was cash of £3.3 million compared with £1.0 million at 29 February 2024.

The Group continues to hold a revolving credit facility with HSBC ("RCF"). The RCF limit totals £40.0 million with £30.0 million available immediately (£22.7 million drawn down at 31 August 2024) and an accordion limit of £10.0 million. Drawdown of the accordion facility is subject to additional credit approval. The facility was due to expire in November 2025, however, the Group exercised the option to extend the facility for a further two years to November 2027, which was approved in the Period.

The operating cash flows of the Group exhibit seasonality with higher bonus payments occurring in the first half of the financial year and it is therefore normal for the second half of the year to generate more cash.

### **Dividend**

The board remains committed to its progressive dividend policy and an increased interim dividend of 4.5 pence (HY24: 4.0 pence) has been declared for the Period, which will be paid on 13 January 2025, reflecting strong financial performance and the board's confidence in the outlook for the Company.

### **Taxation**

The total tax charge of £1.4 million consists of a current tax charge of £1.2 million and a deferred tax charge of £0.2 million. The total tax charge of £0.3m for the comparative period comprises a current tax charge of £0.8 million and a deferred tax credit of £0.5 million.

Current tax is charged at 22.54% on underlying profits for the six months ended 31 August 2024 (HY24: 23.5%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax income of the six-month period. The annual effective tax rate in the current Period is broadly lower than the standard rate applicable due to the impact of a lower rate in Singapore.

At 31 August 2024, the Group recognised a deferred tax asset of £2.5 million (29 February 2024: £3.0 million) and deferred tax liability of £nil (29 February 2024: £nil). The reduction in the deferred tax asset is as a result of the valuation of outstanding share awards and the movement in the mark-to-market gain of the Group's forward currency contracts at 31 August 2024. As a result of the movements on deferred tax, a charge of £0.2m was recognised in the income statement, with the balance of the movement recognised in equity. Deferred tax assets arise primarily in the UK, the deferred tax credit is based on 25.0% for the six months ended 31 August 2024 (HY24: 25.0%). The amount of deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities. The directors believe it is probable that there will be sufficient taxable profits in the future to recover the deferred tax assets in full.

### **Principal risks**

The directors consider that the principal risks and uncertainties which could have a material effect on the Group's performance identified on pages 43 to 49 of the 2024 Annual Report and Accounts are also applicable for the Period of six months to 31 August 2024. These include risks associated with sanctions and trade restrictions, integration risk, loss of key personnel and weak organisational culture, compliance with laws and regulations, currency fluctuations, cybercrime and data security, disruptive technology, environment and climate change and geopolitical and macroeconomic risks.

The directors continue to monitor the risks associated with the conflicts in Ukraine and the Middle East. The Group's compliance with sanctions related to the conflict in Ukraine is not expected to have any material effect on trading in the current financial year nor does the Group have any existing material exposure.

### **Going concern**

Following a detailed review, no material uncertainty has been identified and the interim condensed consolidated financial statements have been prepared on a going concern basis. See Note 2.

## **Condensed Consolidated Income Statement**

**Unaudited**



Six months ended 31 Aug 2024				Unaudited Six months ended 31 Aug 2023			
Notes	Underlying £'000	Specific items £'000	Total £'000	Underlying £'000	Specific items £'000	Total £'000	
<b>Revenue</b>	4	<b>75,990</b>	<b>-</b>	<b>75,990</b>	74,929	-	74,929
Operating expense:							
Operating costs	5	<b>(68,032)</b>	<b>(417)</b>	<b>(68,449)</b>	(67,355)	(1,903)	(69,258)
Acquisition-related expenditure	5	<b>(628)</b>	<b>(2,308)</b>	<b>(2,936)</b>	(862)	(2,597)	(3,459)
Total operating expense		<b>(68,660)</b>	<b>(2,725)</b>	<b>(71,385)</b>	(68,217)	(4,500)	(72,717)
<b>Operating profit/(loss)</b>		<b>7,330</b>	<b>(2,725)</b>	<b>4,605</b>	6,712	(4,500)	2,212
Share of associate gain for the period	10	-	-	-	1	-	1
Finance income	5	<b>301</b>	<b>87</b>	<b>388</b>	552	391	943
Finance costs		<b>(1,424)</b>	<b>-</b>	<b>(1,424)</b>	(1,265)	-	(1,265)
<b>Profit/(loss) before taxation</b>		<b>6,207</b>	<b>(2,638)</b>	<b>3,569</b>	6,000	(4,109)	1,891
Taxation	6	<b>(1,638)</b>	<b>214</b>	<b>(1,424)</b>	(923)	597	(326)
<b>Profit/(loss) attributable to equity shareholders of the Company</b>		<b>4,569</b>	<b>(2,424)</b>	<b>2,145</b>	5,077	(3,512)	1,565
<b>Earnings per ordinary share</b>							
Basic	7	<b>14.55p</b>	<b>6.83p</b>	17.43p			5.37p
Diluted	7	<b>12.79p</b>	<b>6.01p</b>	14.15p			4.36p

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 August 2024

Notes	Unaudited 31 Aug 2024 £'000	Unaudited 31 Aug 2023 £'000
<b>Profit for the period</b>	<b>2,145</b>	1,565
<b>Other comprehensive income/(expense)</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
- Actuarial gain on employee benefit schemes - net of tax	15	312
556		
<i>Items that are or may be reclassified to profit or loss:</i>		
- Foreign exchange losses on retranslation of foreign operations	19	(1,165)
(1,873)		
- Investment hedge gain	19	144
262		
- Cash flow hedging gain - net of tax	19	1,705
2,077		
<b>Other comprehensive income</b>	<b>996</b>	1,022
<b>Total comprehensive income attributable to equity shareholders of the Company</b>	<b>3,141</b>	2,587

## Condensed Consolidated Balance Sheet

Note	Unaudited As at 31 Aug 2024 £'000	Audited (restated) As at 29 Feb 2024 £'000
<b>Assets</b>		
<b>Non-current assets</b>		

<b>Non-current assets</b>			
Goodwill		<b>71,293</b>	71,337
Other intangible assets		<b>2,819</b>	3,185
Property, plant and equipment	9	<b>5,143</b>	5,582
Other investments	14	<b>1,633</b>	1,633
Investment in associate	10	<b>713</b>	713
Derivative financial instruments	14	<b>411</b>	249
Deferred tax assets		<b>2,524</b>	2,979
Pension surplus	15	<b>1,781</b>	1,414
Other long-term receivables	11	<b>1,654</b>	4,589
		<b>87,971</b>	91,681
<b>Current assets</b>			
Trade and other receivables	12	<b>41,465</b>	37,730
Derivative financial instruments	14	<b>3,182</b>	1,287
Current tax receivable		<b>1,972</b>	2,925
Cash and cash equivalents		<b>26,033</b>	27,951
		<b>72,652</b>	69,893
<b>Total assets</b>		<b>160,623</b>	161,574
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	14	<b>104</b>	315
Trade and other payables		<b>43,461</b>	43,611
Current tax payable		<b>347</b>	1,625
Provisions	16	<b>2,953</b>	3,080
Convertible loan notes	13	<b>3,001</b>	2,978
		<b>49,866</b>	51,609
<b>Non-current liabilities</b>			
Long-term borrowings		<b>25,172</b>	29,819
Deferred tax liabilities		<b>8</b>	8
Derivative financial instruments	14	<b>-</b>	43
Other long-term payables		<b>401</b>	416
Provisions	16	<b>187</b>	58
		<b>25,768</b>	30,344
<b>Total liabilities</b>		<b>75,634</b>	81,953
<b>Total assets less total liabilities</b>		<b>84,989</b>	79,621
<b>Equity</b>			
Share capital	17	<b>3,292</b>	3,292
ESOP reserve	18	<b>(3,509)</b>	(7,140)
Other reserves	19	<b>9,049</b>	8,365
Retained earnings		<b>76,157</b>	75,104
<b>Total equity</b>		<b>84,989</b>	79,621

By order of the board

**James Gundy**  
Group Chief Executive Officer

**Grant Foley**  
Group Chief Financial Officer

5 November 2024

# Condensed Consolidated Cash Flow Statement

For the six months ended 31 August 2024

	Notes	Unaudited 31 Aug 2024 £'000	Unaudited 31 Aug 2023 £'000
<b>Profit before tax</b>		<b>3,569</b>	1,891
<i>Adjustment for non-cash transactions included in profit before tax</i>			
Depreciation and amortisation charges		<b>1,844</b>	1,867
Impairment of ROU asset	5	<b>377</b>	-
Share of loss/(gain) of associate		-	(1)
Share-based-payment charge		<b>3,075</b>	3,802
Fair value loss on financial instruments charged to profit or loss	14	-	66
Net finance cost		<b>1,036</b>	322
Foreign exchange differences		<b>(115)</b>	343
Cash settlement of share based payment			
<i>Operating payments adjustment</i>			
Cash settlement of share-based payment		<b>(163)</b>	(52)
Contribution to defined benefit scheme		-	(37)
<b>Operating cash flow before changes in working capital</b>		<b>9,623</b>	8,201
(Increase)/decrease in receivables		<b>(3,242)</b>	6,082
Increase/(decrease) in payables		<b>484</b>	(8,921)
Increase/(decrease) in provisions		<b>24</b>	(83)
<b>Cash flows from operating activities</b>		<b>6,889</b>	5,279
Interest received		<b>269</b>	235
Interest paid		<b>(1,401)</b>	(1,219)
Tax paid		<b>(1,603)</b>	(4,418)
<b>Net cash generated from/(used in) operating activities</b>		<b>4,154</b>	(123)

**Cash flows from investing activities**

Purchase of property, plant and equipment		(289)	(366)
Purchase of other intangible assets		(5)	(12)
Proceeds from disposal of Cory Brothers	14	1,666	1,397
Principal received on finance lease receivables		240	310
<b>Net cash generated from investing activities</b>		<b>1,612</b>	<b>1,329</b>

**Unaudited**    Unaudited  
 Notes 31 Aug 2024    31 Aug 2023  
 £'000    £'000

**Cash flows from financing activities**

Repayment of borrowings		(4,000)	(4,098)
Proceeds from borrowings		-	2,500
Repayment of principal under lease liabilities		(1,983)	(1,576)
Cash proceeds on release of shares from ESOP		513	-
Dividends paid		(1,222)	-
Purchase of own shares		(367)	(1,931)
<b>Net cash used in financing activities</b>		<b>(7,059)</b>	<b>(5,105)</b>

<b>Decrease in cash and cash equivalents</b>		<b>(1,293)</b>	<b>(3,899)</b>
Cash and cash equivalents at beginning of the period		27,951	34,735
Foreign exchange loss		(625)	(1,785)
<b>Cash and cash equivalents at end of the period</b>		<b>26,033</b>	<b>29,051</b>

**Condensed Statement of Changes in Total Equity**

	Note	Share capital £'000	Share premium £'000	ESOP reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
<b>At 1 March 2023 (Audited)</b>		<b>3,292</b>	<b>53,796</b>	<b>(10,607)</b>	<b>28,819</b>	<b>1,381</b>	<b>76,681</b>
Profit for the period		-	-	-	-	1,565	1,565
Actuarial gain on employee benefits schemes - net of tax		-	-	-	-	556	556
Foreign exchange loss arising on translation of foreign operations		-	-	-	(1,873)	-	(1,873)
Foreign exchange gain on net investment hedge		-	-	-	262	-	262

Gain on cash flow hedges - net of tax	-	-	-	2,077	-	2,077
Other comprehensive income	-	-	-	466	556	1,022
Total comprehensive income	-	-	-	466	2,121	2,587
Tax expense on share awards				-	(638)	(638)
Capital reduction	8	-	(53,796)	-	(20,151)	73,947
Acquisition of own shares	18	-	-	(1,931)	-	-
ESOP shares allocated	18	-	-	21	-	(21)
Cash paid for share-based payments		-	-	-	-	(52)
Share-based payments		-	-	-	-	3,802
Transactions with owners		-	(53,796)	(1,910)	(20,151)	77,038
<b>At 31 August 2023 (Unaudited)</b>	<b>3,292</b>	<b>-</b>	<b>(12,517)</b>	<b>9,134</b>	<b>80,540</b>	<b>80,449</b>

<b>At 1 March 2024 (Audited)</b>	<b>3,292</b>	<b>-</b>	<b>(7,140)</b>	<b>8,365</b>	<b>75,104</b>	<b>79,621</b>
Profit for the period	-	-	-	-	2,145	2,145
Actuarial gain on employee benefits schemes - net of tax	-	-	-	-	312	312
Foreign exchange loss arising on translation of foreign operations	-	-	-	(1,165)	-	(1,165)
Foreign exchange gain on net investment hedge	-	-	-	144	-	144
Gain on cash flow hedges - net of tax	-	-	-	1,705	-	1,705
Other comprehensive income	-	-	-	684	312	996
Total comprehensive income	-	-	-	684	2,457	3,141
Tax income on share awards		-	-	-	391	391
Dividends paid	8	-	-	-	(1,222)	(1,222)
Acquisition of own shares	18	-	-	(367)	-	-
ESOP shares allocated	18	-	-	3,477	-	(3,144)
Winding up of EBT	18	-	-	521	-	(341)
Cash paid for share-based payments		-	-	-	-	(163)
Share-based payments		-	-	-	-	3,075
Transactions with owners		-	-	3,631	-	(1,404)
<b>At 31 August 2024 (Unaudited)</b>	<b>3,292</b>	<b>-</b>	<b>(3,509)</b>	<b>9,049</b>	<b>76,157</b>	<b>84,989</b>

## Notes to the Condensed Consolidated Financial Statements (unaudited)

### 1 General information

Braemar Plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. These interim condensed consolidated financial statements for the six months ended 31 August 2024 comprise the Company and its subsidiaries (together referred to as the "Group"). The address of the Company's registered office is One Strand, Trafalgar Square, London, WC2N 5HR, United Kingdom. The interim condensed consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the directors on 5 November 2024.

### 2 Basis of preparation and statement of compliance

The interim condensed consolidated financial statements for the six months ended 31 August 2024 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with IAS 34, "Interim Financial Reporting", and also in accordance with the measurement and recognition principles of UK adopted international accounting standards.

These interim accounts and comparative figures for the half year ended 31 August 2023 and year ended 29 February 2024 do not constitute statutory accounts for the purpose of section 434 of the Companies Act 2006. The auditors have reported on the 2024 accounts, and these have been filed with the Registrar of Companies; their report was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The half year accounts as at and for the half years ending 31 August presented in these condensed consolidated interim financial statements have been reviewed in accordance with International Standard on Review Engagements (UK and Ireland) 2410 but have not been audited.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report for the year ended 29 February 2024, which were prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006.

### Going concern

These interim condensed consolidated financial statements have been prepared on a going concern basis with a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing of the interim condensed consolidated financial statements. In reaching this conclusion the directors considered cash flow forecasts that have been prepared in the light of current trading, the continued impact of conflicts in Ukraine and the Middle East, as well as the possibility of a global recession. The directors have considered the trading and cash flows over the first six months of the year which have been good across the Group's business, and the Group has benefitted from the volatility in the shipping markets. The directors consider that the breadth of the Group's business model and the diversity of the broking operation and the markets in which the Group now operates, have insulated the business well from cycles in any one shipping market. The directors have also considered forward-looking market data in respect of the shipping market. This includes the forward order book within the Chartering and Investment Advisory segment.

The Group's revolving credit facility ("RCF") is for £30.0 million plus an accordion limit of £10.0 million and had an initial termination date of November 2025. During the period, the Group exercised an option to extend the facility by two years which was approved by the lender, extending the term to November 2027. Drawdown of the accordion facility is subject to additional credit approval. The RCF agreement has an EBITDA leverage covenant of 2.5x and a minimum interest cover of 4x. At 29 February 2024, 31 May 2024 and 31 August 2024 the Group met all financial covenant tests. Amounts can be rolled on a monthly basis until the facility expires subject to certain conditions, and on that basis the borrowings have been classified as non-current. The amounts drawn under the RCF bear interest based on SONIA, SOFR and EURIBOR from amounts drawn in sterling, US dollars and euros respectively, plus a credit margin dependent on the Group's leverage ratio. As at 31 August 2024 the Group's net cash was £3.3 million (29 February 2024: £1.0 million) with available headroom in the £30.0 million RCF of £6.9 million (at 29 February 2024: £2.8 million) (net cash is calculated as cash less secured RCF).

The Group has updated its expected revenue, cost and cash forecasts in the light of the positive trading over the first half of the current financial year and assessed the ability of the Group to operate both within the facility covenants and the facility headroom. A number of downside sensitivities were tested including reverse stress scenarios. The results of this exercise showed that the Group could withstand revenue reductions of 35% before it was forecast that covenants would be breached or liquidity insufficient, after taking into account reasonable cost mitigations and other cash management measures within the control of the Group. The directors have considered these revenue downside sensitivities and in the light of the revenue performance in the period and the prospects for the second half of the year have concluded that it would be remote that revenues would be impacted to this extent over the assessed going concern period.

The directors consider revenue as the key assumption in the Group's forecasts as the operating costs are largely fixed or made up of discretionary bonuses which are directly linked to profitability.

To date the current geo-political instability and global trade interruption has not had a significant impact on the business but there remains uncertainty over the current outlook. However, the directors are comfortable that under the scenarios run, the Group could withstand a decline in revenue as described and continue to operate within the available banking facilities. Accordingly, the Group continues to adopt the going concern basis in preparing the condensed consolidated financial statements.

### Forward-looking statements

Certain statements in this interim report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

## 3 Accounting policies

The Group has applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its annual consolidated financial statements as at and for the year ended 29 February 2024, except as described below, and should be read in conjunction with the 2024 Annual Report.

### Amendments to IFRS Accounting Standards

The following amendments to IFRS Accounting Standards have been applied for the first time by the Group:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-Current
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IFRS 16 Lease Liability in a Sale and Leaseback (Amendments)
- Amendments to IFRS 7 and IAS 7 Supplier Finance Arrangements

During the period the Group has applied 'Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants - Amendments to IAS 1'. The amendments clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification.

Under the Group's previous accounting policy, a financial liability with an equity conversion feature was classified as current or non-current disregarding the impact of the equity conversion option. The Group's accounting policy has now changed such that equity conversion options which are not accounted for as an equity instrument separately from the liability component of a compound financial instrument, are taken into account in determining the classification of a liability as current or non-current. The impact of the change in accounting policy at February 2024 is to reclassify £2.3m of Convertible Loan Notes previously classified as non-current, to be classified as current liabilities. There has been no impact to profit or loss, cash flows or retained earnings as a result of the change in accounting policy.

Other than this, the adoption of the above has not had any material impact on the amounts reported or the disclosures in these condensed half-yearly financial statements.

### Accounting estimates and critical judgements

The preparation of interim financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by

management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the consolidated financial statements as at and for the year ended 29 February 2024.

#### Seasonality

The Group's operating cash flows exhibit seasonality in that the majority of bonus payments occur in the first half of the financial year. The Group's revenues are not subject to significant seasonal variation.

## 4 Segmental information and revenue

### a) Business segments

The Group's operating segments are Chartering, Investment advisory and Risk advisory. The Chief Operating Decision Maker is considered to be the Group's board of directors. Each of Chartering, Investment Advisory and Risk Advisory are managed separately, and the nature of the services offered to clients is distinct between the segments. The Chartering segment includes the Group's shipbroking business, Risk Advisory includes the Group's regulated securities business and Investment Advisory focuses on transactional services.

The board considers the business from both service line and geographic perspectives. A description of each of the lines of service is provided in the operating and financial review.

Central costs relate to board costs and other costs associated with the Group's listing on the London Stock Exchange. All segments meet the quantitative thresholds required by IFRS 8 as reportable segments.

Underlying operating profit is defined as operating profit for continuing activities before specific items as set out in Note 5.

The segmental information provided to the board for reportable segments for the six months ended 31 August 2024 is as follows:

	Revenue		Operating profit/(loss)	
	Six months ended 31 Aug 2024 £'000	Six months ended 31 Aug 2023 £'000	Six months ended 31 Aug 2024 £'000	Six months ended 31 Aug 2023 £'000
Chartering	49,765	52,567	6,142	6,385
Investment advisory	14,751	12,445	2,396	1,663
Risk advisory	11,474	9,917	1,545	1,379
<b>Trading segments revenue and operating profit</b>	<b>75,990</b>	<b>74,929</b>	<b>10,083</b>	<b>9,427</b>
Central costs			(2,753)	(2,715)
<b>Underlying operating profit</b>			<b>7,330</b>	<b>6,712</b>
Specific items included in operating expenses			(2,725)	(4,500)
<b>Operating profit</b>			<b>4,605</b>	<b>2,212</b>
Share of associate's profit/(loss) for period			-	1
Net finance expense			(1,036)	(322)
<b>Profit before taxation</b>			<b>3,569</b>	<b>1,891</b>

### Geographical segment - by origin

The Group manages its business segments on a global basis. The Group's main geographical area of operation and also the home country of the Company is the United Kingdom.

Geographical information determined by location of customers is set out below:

	Revenue	
	Six months ended 31 Aug 2024 £'000	Six months ended 31 Aug 2023 £'000
United Kingdom	41,311	37,777
Singapore	9,100	11,102
United States	11,165	10,358
Australia	4,938	4,412
Switzerland	1,025	4,027
Germany	507	363
Rest of the World	7,944	6,890
<b>Total</b>	<b>75,990</b>	<b>74,929</b>

### b) Revenue analysis

The Group disaggregates revenue in line with the segmental information presented above, and also by desk. Revenue analysed by desk is provided below.

	Revenue	
	Six months ended 31 Aug 2024 £'000	Six months ended 31 Aug 2023 £'000
<b>Chartering</b>		
Deep Sea Tankers (incl. Projects)	25,660	28,513
Specialised Tankers & Gas	9,090	9,256
Dry Cargo	10,649	11,025
Offshore	4,366	3,773
<b>Chartering sub-total</b>	<b>49,765</b>	<b>52,567</b>
<b>Shipping Investment Advisory</b>		
S&P	14,063	11,291
Corporate Finance	688	1,154
<b>Shipping Investment Advisory sub-total</b>	<b>14,751</b>	<b>12,445</b>
<b>Shipping Risk Advisory</b>		
Securities (incl. GFI)	11,474	9,917
<b>Shipping Risk Advisory sub-total</b>	<b>11,474</b>	<b>9,917</b>
<b>Total revenue</b>	<b>75,990</b>	<b>74,929</b>

There is no single customer that makes up more than 10% of the Group's revenues.

## 5 Specific items

In reporting financial information, the Group presents Alternative Performance Measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS"). The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information and enable an alternative comparison of performance over time. Further details of the specific items as disclosed in the Group's Condensed Consolidated Income Statement are set out below.

	Six months ended 31 Aug 2024 £'000	Six months ended 31 Aug 2023 £'000
<i>Operating costs</i>		
- Impairment of ROU asset	(377)	-
- Investigation costs	(40)	(1,442)
- Board change costs	-	(232)
- Unlawful dividend rectification	-	(229)
	<b>(417)</b>	<b>(1,903)</b>
<i>Acquisition-related items</i>		
- Madrid post-contractual obligation	(232)	(521)
- Amortisation of acquired intangible assets	(210)	(289)
- Consideration treated as an employee expense	(1,866)	(1,787)
	<b>(2,308)</b>	<b>(2,597)</b>
<i>Other items</i>		
Finance income - Interest income on deferred consideration	-	68
Finance income - Gain on Naves derivative liability and foreign exchange gain	87	323
	<b>87</b>	<b>391</b>
<b>Total</b>	<b>(2,638)</b>	<b>(4,109)</b>

### Operating costs

#### Impairment of ROU asset

During the period, the Group recognised an extension to a lease of office space with a corresponding increase in



During the period, the Group recognised an extension to a lease of office space with a corresponding increase in right-of-use asset and lease liability. The Group had previously sub-let a segregated portion of the office space, but has been unable to sub-let the office space for the period of the lease extension. The Group does not use the previously sub-let space and believes it unlikely it will be sub-let for the period of the extension. As a result, the Group has recognised an impairment charge in relation to the portion of the right-of-use asset relating to this unused office space. As this cost does not relate to the performance of the business, it is treated as a specific item.

#### *Investigation costs*

During the preparation of the 2023 Annual Report, the board instigated an investigation into a transaction which originated in 2013 and involved payments being made through to 2017. The investigation engaged multiple external specialist firms and resulted in a significant cost to the business of £1.4 million in the six months to August 2023 with a residual cost of £40,000 in the six months to 31 August 2024, which the Group does not consider reflects the trading of the business in the period and as a result is treated as a specific item.

#### *Board change costs*

In the prior period, the Group appointed a new Chief Financial Officer with effect from 1 August 2023 to replace Nick Stone who left on 31 July 2023. The recruitment cost incurred of £0.2 million is not considered part of the trading performance of the business and so is treated as a specific item.

#### *Unlawful dividend rectification*

In the prior period, following the identification of the payment of historic unlawful dividends, the Group incurred costs of £0.2 million in relation to their rectification, which are not expected to recur, are not considered part of the trading performance of the business and so are treated as specific items.

The tax income on specific items including within other operating costs was £0.1 million (2023: £0.5 million)

### **Acquisition-related items**

#### *Madrid post-contractual obligation*

As a result of the recruitment of a team of brokers based in Madrid, service agreements were entered into with employees. The recruitment of the broker team in Madrid included the following key elements:

- The Group assumed a liability for a post-contractual payment to the employees, which was fully vested on signing the contracts and subject to ongoing adjustments.
- An upfront cash payment of £1.3 million with a further payment of £1.3 million paid in December 2023.
- Share awards to a total value of £1.1 million which vest evenly in one, two and three years from December 2022

The upfront payments and share awards have a clawback mechanism which is linked to the continued employment of the brokers over a three-year period from December 2022. The costs associated with the upfront payments and share awards are not considered by the Group to be specific items but are disclosed as acquisition-related expenditure given their materiality and will be amortised over three years to December 2025. In addition, certain brokers are entitled to a payment on termination in return for a non-compete obligation. The cost related to the post-contractual payment obligation is treated as a specific item because there is no requirement to provide service.

#### *Amortisation of acquired intangible assets*

An amount of £0.2 million (2023: £0.3 million) relates to the amortisation of acquired intangible assets, primarily in relation to intangible assets recognised as a result of the acquisition of Southport Maritime Inc.

#### *Consideration treated as an employment expense*

Following the acquisition of Southport Maritime Inc. in December 2022, due to the requirement for ongoing employee service, the upfront cash payment of £6.0 million and IFRS 2 charge related to share awards made to the sellers and existing employees of Southport are treated as a post-combination remuneration expense. The total expense related to amounts linked to ongoing employee service in connection with the acquisition of Southport £1.9 million (2023: £1.8 million) in the six months to August 2024. The period of required employee service is three years from the acquisition date.

The tax income on acquisition-related items was £nil (2023: £nil)

### **Other specific items**

#### *Interest income on deferred consideration*

The unwinding of the discounting of the deferred receivable in respect of the Cory Brothers disposal contributed interest income of £68,000 in the prior period. Given the continued reduction in this amount, the Group has no longer treated this amount as a specific item.

#### *Gain on Naves derivative liability and foreign exchange gain*

The gain of £0.1 million (2023: £0.3m) in relation to Naves related foreign exchange on convertible loan note liabilities and fair value gain on the linked derivative is included as a specific item as it relates to the acquisition of Naves and is not related to trading.

The tax income on Other specific items was £0.1million (2023: £0.1 million)

## **6 Taxation**

The total tax charge of £1.4 million consists of a current tax charge of £1.2 million and a deferred tax charge of £0.2 million. The total tax charge of £0.3 million for the comparative period comprises a current tax charge of £0.8 million and a deferred tax credit of £0.5 million.

Current tax is charged at 22.54% on underlying profits for the six months ended 31 August 2024 (2023: 23.5%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax income of the six-month period. The annual effective tax rate in the current period is broadly lower than the standard rate applicable due to the impact of a lower rate in Singapore.

At 31 August 2024, the Group recognised a deferred tax asset of £2.5 million (29 February 2024: £3 million) and deferred tax liability of £nil (29 February 2024: £nil). The reduction in the deferred tax asset is a result of the valuation of outstanding share awards and the movement in the mark-to-market gain of the Group's forward currency contracts at 31 August 2024. As a result of the movements on deferred tax, a charge of £0.2 million was recognised in the income statement, with the balance of the movement recognised in equity. Deferred tax assets arise primarily in the UK, the deferred tax credit is based on 25.0% for the six months ended 31 August 2024 (2023: 25.0%) The amount of deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities. The directors believe it is probable that there will be sufficient taxable profits in the future to recover the deferred tax assets in full.

The Group is not within the scope of the OECD Pillar two model rules. Pillar two applies to multinational groups with consolidated revenue over €750 million.

## **7 Earnings per share**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. At 31 August 2024 1,250,717 ordinary shares were held by the Employee Share Ownership Plan ("ESOP") which are not treated as outstanding for the purpose of calculating earnings per share (29 February 2024: 2,303,211 held by the ESOP and 62,290 shares held by the ACM Employee Benefit Trust).

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has dilutive potential ordinary shares, being those options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period, and convertible loan notes issued in respect of the Naves acquisition.

	Six months ended 31 Aug 2024 £'000	Six months ended 31 Aug 2023 £'000
Total operations		
Profit for the year attributable to shareholders	2,145	1,565

	Pence	Pence
Basic earnings per share	6.83	5.37
Effect of dilutive potential ordinary shares	(0.82)	(1.01)
Diluted earnings per share	6.01	4.36

	Six months ended 31 Aug 2024 £'000	Six months ended 31 Aug 2023 £'000
Underlying operations		
Underlying profit for the year attributable to shareholders	4,569	5,077

	Pence	Pence
Basic earnings per share	14.55	17.43
Effect of dilutive potential ordinary shares	(1.76)	(3.28)
Diluted earnings per share	12.79	14.15

A reconciliation by class of instrument in relation to dilutive potential ordinary shares and their impact on earnings is set out below:

	Six months ended 31 Aug 2024			Six months ended 31 Aug 2023		
	Weighted average number of shares	Underlying earnings £'000	Statutory earnings £'000	Weighted average number of shares	Underlying earnings £'000	Statutory earnings £'000
<b>Used in basic earnings per share</b>	<b>31,412,468</b>	<b>4,569</b>	<b>2,145</b>	<b>29,132,957</b>	<b>5,077</b>	<b>1,565</b>
Employee share awards	4,299,483	-	-	6,749,611	-	-
<b>Used in diluted earnings per share</b>	<b>35,711,951</b>	<b>4,569</b>	<b>2,145</b>	<b>35,882,568</b>	<b>5,077</b>	<b>1,565</b>

## 8 Dividends

The board has declared an interim dividend of 4.5 pence per share (2024: 4.0 pence per share), to be paid on 13 January 2025.

## 9 Property, plant and equipment

During the period the Group recognised a £1.4 million increase in right-of-use assets and lease liabilities accounted for under IFRS 16, primarily in relation to a single office. Due to a portion of the office which is not used by the Group and is not expected to be sub-let, the Group also recognised an impairment charge of £0.4 million in relation to the right-of-use asset.

## 10 Investment in associate

### Zuma Labs Limited

At 31 August 2024 the Group held 2,500 ordinary shares in Zuma Labs Limited ("Zuma") being 20% of Zuma's share capital (at 29 February 2024: 2,500 ordinary shares being 20% of share capital). Zuma Labs Limited is a private company incorporated in England and Wales and its registered address is 128 City Road, London, United Kingdom, EC1V 2NX. Zuma Labs Limited has one share class and each share carries one vote.

The Group has representation on the board of Zuma Labs Limited, and as a result, the Group considers that it has the power to exercise significant influence in Zuma Labs Limited and the investment in it has been accounted for using the equity method.

## 11 Other long-term receivables

	31 Aug 2024 £'000	29 Feb 2024 £'000
Deferred consideration - non-current	-	1,304
Contingent consideration - non-current	-	532
Security deposits	310	304
Prepayments	1,344	2,449
	<b>1,654</b>	<b>4,589</b>

At 29 February 2024, deferred consideration of £1.3 million and contingent consideration of £0.5 million related to the non-current earn-out payments receivable in respect of the disposal of Cory Brothers in 2022.

Prepayments includes an asset of £1.3 million (29 February 2024: £2.4 million) which is the non-current element of the clawback provision on joining incentives paid to certain employees. The receivable is amortised over the clawback period.

## 12 Trade and other receivables

	31 Aug 2024 £'000	29 Feb 2024 £'000
Trade receivables	28,449	26,964
Provision for impairment of trade receivables	(2,747)	(2,837)
Net trade receivables	25,702	24,127
Deferred consideration - current	1,320	1,316
Contingent consideration - current	548	550
Other receivables	5,069	3,949
Finance lease receivables	-	240
Contract assets	2,062	1,517
Prepayments	6,764	6,031
<b>Total</b>	<b>41,465</b>	<b>37,730</b>

Included in other receivables in all periods are security deposits, VAT and other sales tax receivables and employee loans.

Deferred consideration of £1.3 million and contingent consideration of £0.5 million relate to the earn-out payments receivable in respect of the disposal of Cory Brothers in 2022.

The directors consider that the carrying amounts of trade receivables approximate their fair value.

The provision for impairment of trade receivables consists of a lifetime expected loss provision and any specific provisions. At 31 August 2024 the lifetime expected loss provision for trade receivables and contract assets was £0.6 million (29 February 2024: £0.6 million). The expected credit loss rates applied at 31 August 2024 are consistent with those applied at 29 February 2024. The specific provisions against trade receivables as at 31 August 2024 were £2.1 million (29 February 2024: £2.2 million).

## 13 Convertible Loan Notes

### Acquisition of Naves Corporate Finance GmbH

In September 2017, the Group acquired the entire share capital of Naves Corporate Finance GmbH ("Naves"). Naves was an established and successful business, headquartered in Hamburg, Germany, which advises national and international clients on corporate finance related to the maritime industry including restructuring advisory, corporate finance advisory, M&A, asset brokerage, interim/pre-insolvency management and financial asset management including loan servicing.

The acquisition agreement provided deferred amounts that would be payable to management sellers, conditional on their ongoing service in the business. Following the issuance of new convertible loan notes in the prior year, at 31 August 2024 no amounts are subject to future service conditions.

The following table shows amounts in the Group balance sheet relating to the convertible loan notes issued on the acquisition of Naves.

	As at 31 Aug 2024 £'000	As at 29 Feb 2024 (restated <sup>1</sup> ) £'000
<i>Current liabilities:</i>		
Convertible loan notes	3,001	2,978
Derivatives	104	140
<b>Total</b>	<b>3,105</b>	<b>3,118</b>

<sup>1</sup> Restatement for the adoption of 'Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants - Amendments to IAS 1'. For further details, see in Note 3.

The movement in the Naves-related balances in the Group Balance Sheet during the period is explained by the items below:

	£'000
Total Naves-related balances at 1 March 2024	3,118
Interest expense	120
Derivative fair value gain	(37)
Other	(163)

Cash paid	(44)
Foreign exchange gain	(50)
<b>Total Naves-related balances at 31 August 2024</b>	<b>3,105</b>

As at 31 August 2024, there are two further payments of principal required, with the final payment being in the full year ended 28 February 2026.

## 14 Financial instruments

There have been no substantive changes in the Group's exposure to financial instrument risk, its objectives, policies, and other processes for managing those risks or the methods used to measure them from previous periods. The Group continues to apply hedge accounting to derivative financial instruments that meet the criteria set out in IFRS 9.

### a) Financial instruments

#### i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade and other receivables;
- cash and cash equivalents;
- deferred consideration receivable;
- contingent consideration receivable;
- unlisted investments;
- trade and other payables;
- revolving credit facility;
- lease liabilities;
- derivative financial instruments; and
- convertible loan notes.

#### ii) Financial instruments by category

##### Financial instruments measured at fair value

The Group's financial assets and liabilities measured at fair value through profit and loss, including their fair value hierarchy, are as follows. Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction, other than in a forced or liquidated sale.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	As at 31 Aug 2024 £'000
<i>Financial assets</i>				
Unlisted investments	-	-	1,633	1,633
Contingent consideration receivable	-	-	548	548
Derivative contracts	-	3,593	-	3,593
<b>Total</b>	-	3,593	2,181	5,774
<i>Financial liabilities</i>				
Embedded derivative	-	-	104	104
<b>Total</b>	-	-	104	104

	Level 1 £'000	Level 2 £'000	Level 3 £'000	As at 29 Feb 2024 £'000
<i>Financial assets</i>				
Unlisted investments	-	-	1,633	1,633
Contingent consideration receivable	-	-	1,082	1,082
Derivative contracts	-	1,536	-	1,536
<b>Total</b>	-	1,536	2,715	4,251
<i>Financial liabilities</i>				
Derivative contracts	-	218	-	218
Embedded derivative	-	-	140	140
<b>Total</b>	-	218	140	358

##### Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities are classified in their entirety into one of three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

##### Unlisted investment

The unlisted investments primarily relate to the Group's investment in the London Tanker Brokers' Panel. The Group has valued the investment based on an income approach which has resulted in the fair value being deemed to be in Level 3 of the fair value hierarchy. The Group's policy is that the beginning of the financial year is considered the date of transfer between levels in the fair value hierarchy. The significant unobservable inputs into the valuation are:

- a discount rate of 16.4%; and
- expected income from the investment.

An increase in the discount rate of 2% would result in an increased fair value loss of £0.1 million recognised in the

Income Statement, while a decrease in the discount rate of 2% would result in a gain of £0.2 million recognised in the Income Statement. A 10% increase/decrease in expected income would result in a £0.1 million gain/loss.

#### Contingent consideration receivable

The fair value of the contingent consideration receivable includes unobservable inputs and is therefore classified as Level 3. The contingent consideration receivable relates to the disposal of the Logistics Division in 2022. The SPA provides for a minimum guaranteed amount; this amount has been classified as deferred consideration. The balance of the earnout consideration is contingent on the future performance of the combined business up to a maximum specified in the SPA; this has been classified as contingent consideration.

The fair value of the contingent consideration has been calculated by reference to management's expectation of the future profitability of the combined business and discounted to present value using a discount rate of 5.19%. The valuation is most sensitive to the expectation of future profitability. During the period, the Group received £1.9 million in relation to the second deferred and contingent consideration payment. In the Cash Flow Statement, £1.7 million is allocated to investing activities, £0.1 million relates to interest received and £0.1m is included in operating activities in relation to the gains made on the revaluation of the contingent portion of the consideration receivable.

#### Forward currency contracts

The fair value of the forward currency contracts is determined from the present value of future cash flows based on the forward exchange rates at the balance sheet date and have therefore been classified as Level 2 in the fair value hierarchy.

The Group manages its exposure to US Dollar currency variations by spot and forward currency sales and other derivative currency contracts. The following table shows the notional values and average rates of forward contracts held at the balance sheet date.

	Notional Value US '000	Weighted average exchange rate £/	Net balance sheet carrying value £'000
At 31 August 2024	<b>110,950</b>	<b>1.26</b>	<b>3,593</b>
At 29 February 2024	118,950	1.25	1,318

A gain of £0.9 million (2024: £2.2 million gain) has been recognised in the condensed consolidated Income Statement in respect of forward contracts which have matured in the period.

The maturity analysis of forward currency contracts is provided below:

	31 Aug 2024 £'000	29 Feb 2024 £'000
<b>Assets</b>		
Forward currency contracts maturing within 12 to 24 months	<b>411</b>	249
<b>Forward currency contracts maturing within 12 months</b>	<b>3,182</b>	1,287
Total assets	<b>3,593</b>	1,536
<b>Liabilities</b>		
Forward currency contracts maturing within 12 to 24 months	-	(43)
<b>Forward currency contracts maturing within 12 months</b>	-	(175)
Total liabilities	-	(218)

#### Embedded derivative

The convertible loan notes issued on the acquisition of Naves contain an embedded derivative, being a euro liability of principal and interest. The equity value of the underlying derivative is not considered to be closely related to the debt host, therefore the loan note is considered to be a financial liability host with an embedded derivative convertible feature which is required to be separated from the host.

The fair value of the embedded derivative includes unobservable inputs and is therefore classified as Level 3. The key assumptions underpinning the fair value of the embedded derivative relate to the expected future share price of the Group, which the valuation is most sensitive to, and the sterling to euro exchange rate. The fair value has been determined using the Black-Scholes valuation model. During the period, an unrealised gain of £36,000 (2023: £0.3 million) was recognised in finance income in the Income Statement.

#### Valuation processes

Generally, the Group uses external specialists to value financial instruments included within level 3 of the fair value hierarchy. The results of those valuations are reviewed at each reporting date within the finance team.

#### Financial instruments not measured at fair value

The Group's financial assets and liabilities that are not measured at fair value are held at amortised cost. Due to their short-term nature, the carrying value of these financial instruments approximates their fair value. Their carrying values are as follows:

	31 Aug 2024 £'000	29 Feb 2024 £'000
<b>Financial assets</b>		
Cash and cash equivalents	<b>26,033</b>	27,951
Deferred consideration receivable	<b>1,320</b>	2,620
Trade and other receivables	<b>34,153</b>	30,159
<b>Total</b>	<b>61,506</b>	60,730
<b>Financial liabilities</b>		
Trade and other payables	<b>6,951</b>	4,851
Convertible loan notes	<b>3,001</b>	2,978
Loans and borrowings	<b>22,751</b>	26,966
<b>Total</b>	<b>32,703</b>	34,795

At 31 August 2024, trade and other payables of £43.5 million (at 29 February 2024: £43.6 million) were recognised on the Balance Sheet, which included employee related payables of £34.5 million (at 29 February 2024: £36.6 million) which are not financial liabilities, and lease liabilities of £1.7 million (at 29 February 2024: £1.9 million) are not included in the table above.

## 15 Pension surplus

	31 Aug 24	29 Feb 24
	£'000	£'000
Present value of funded obligations	10,741	10,609
Fair value of scheme assets, net of tax	(12,522)	(12,023)
Total surplus of defined benefit pension scheme	(1,781)	(1,414)

The free-standing tax charge on the net pension asset reduced from 35% at 29 February 2024 to 25% from 6 April 2024. This measure was substantively enacted on 11 March 2024 resulting in an increase to the present value of the defined benefit asset.

The following table sets out the sensitivity of the net defined pension surplus to changes in key estimates.

Change in assumption	Approximate increase in liabilities £'000
Interest rate reduced by 0.5% pa	967
Inflation assumption increased by 0.5% p.a.	634
Increase in life expectancy of 1 year for each member	269

## 16 Provisions

	Dilapidations £'000	Uncertain commission obligation £'000	Other £'000	Total £'000
At 29 February 2024	605	2,094	439	3,138
Provided in the year	274	-	-	274
Utilised in the year	-	-	(79)	(79)
Reversal of provision in the year	-	(88)	-	(88)
Exchange differences	(6)	(85)	(14)	(105)
<b>At 31 August 2024</b>	<b>873</b>	<b>1,921</b>	<b>346</b>	<b>3,140</b>
Current	686	1,921	346	2,953
Non-current	187	-	-	187
<b>At 31 August 2024</b>	<b>873</b>	<b>1,921</b>	<b>346</b>	<b>3,140</b>

Dilapidations relate to future obligations to make good certain office premises upon expiration of the lease term. The provision is calculated with reference to the location and square footage of the office.

Employee entitlements of £0.3 million are included in other, which relate to statutory long service leave in Braemar ACM Shipbroking Pty Limited. This is based on the principle that each Australian employee is entitled to leave over and above any annual leave on completion of ten years' continuous service. The provision is calculated with reference to the number of employees who have at least seven years of continuous service.

The uncertain commission obligation relates to an historical unsettled commission payable which was recorded in 2017 upon completion of a contract originated in 2013. While the board cannot forecast with certainty final outcomes in respect of these obligations, based on the Group's current information, the amount recognised is the current best estimate of the amount required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligations, including interpretation of specific laws and likelihood of settlement.

## 17 Share capital and Share premium

	Number of shares (thousands)	Ordinary shares £'000	Share premium £'000
<b>At 1 March 2023</b>	<b>32,925</b>	<b>3,292</b>	<b>53,796</b>
Capital reduction	-	-	(53,796)
<b>At 31 August 2023, 29 February 2024 and 31 August 2024</b>	<b>32,925</b>	<b>3,292</b>	<b>-</b>

No ordinary shares have been issued in the six months to 31 August 2024.

## 18 ESOP reserve

An Employee Share Ownership Plan ("ESOP") was established on 23 January 1995. The ESOP has been set up to purchase shares in the Company. These shares, once purchased, are held in trust by the Trustee of the ESOP, SG Kleinwort Hambros Trust Company (CI) Limited, for the benefit of the employees. Additionally, an Employee Benefit



Network Railways Trust Company (C) Limited, for the benefit of the employees. Additionally, an Employee Benefit Trust ("EBT") previously run by ACM Shipping Group plc held shares in the Company. During the period, the Group completed the process of winding up the EBT with the shares held being sold in the market.

The ESOP reserve represents a deduction from shareholders' funds and a reduction in distributable reserves. The deduction equals the net purchase cost of the shares held in by the ESOP. Shares allocated by the ESOP to satisfy share awards issued by the Group are transferred to retained earnings at cost on a FIFO basis.

	£'000
<b>At 1 March 2023</b>	<b>10,607</b>
Shares acquired by the ESOP	1,931
ESOP shares allocated	(21)
<b>At 31 August 2023</b>	<b>12,517</b>
Shares acquired by the ESOP	4,194
ESOP shares allocated	(9,571)
<b>At 29 February 2024</b>	<b>7,140</b>
Shares acquired by the ESOP	367
Winding up of EBT shares	(521)
ESOP shares allocated	(3,477)
<b>At 31 August 2024</b>	<b>3,509</b>

As at 31 August 2024 the ESOP held 1,250,717 (29 February 2024: 2,303,211) ordinary shares of 10 pence. In addition, at 29 February 2024 the ACM EBT held 62,290 ordinary shares of 10 pence each, which were sold during the period.

## 19 Other reserves

Note	Capital redemption reserve £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Hedging reserve £'000	Total £'000
At 1 March 2023	<b>396</b>	<b>24,641</b>	<b>4,024</b>	<b>(242)</b>	<b>28,819</b>
Cash flow hedges:					
- Transfer to income statement	-	-	-	(1,074)	(1,074)
- Fair value gains in the period	-	-	-	3,843	3,843
Capital reduction	(396)	(19,755)	-	-	(20,151)
Foreign exchange gain on net investment hedge	-	-	262	-	262
Foreign exchange loss arising on translation of foreign operations	-	-	(1,873)	-	(1,873)
Deferred tax on items taken to equity	-	-	-	(692)	(692)
At 31 August 2023	-	<b>4,886</b>	<b>2,413</b>	<b>1,835</b>	<b>9,134</b>
Cash flow hedges:					
- Transfer to income statement	-	-	-	(1,157)	(1,157)
- Fair value gains in the period	-	-	-	29	29
Foreign exchange loss on net investment hedge	-	-	(13)	-	(13)
Foreign exchange gain arising on translation of foreign operations	-	-	90	-	90
Deferred tax on items taken to equity	-	-	-	282	282
At 29 February 2024	-	<b>4,886</b>	<b>2,490</b>	<b>989</b>	<b>8,365</b>
Cash flow hedges:					
- Transfer to income statement	-	-	-	(854)	(854)
- Fair value gains in the period	-	-	-	3,128	3,128
Foreign exchange gain on net investment hedge	-	-	144	-	144
Foreign exchange loss arising on translation of foreign operations	-	-	(1,165)	-	(1,165)
Deferred tax on items taken to equity	-	-	-	(569)	(569)
At 31 August 2024	-	<b>4,886</b>	<b>1,469</b>	<b>2,694</b>	<b>9,049</b>

All other reserves are attributable to the equity holders of the parent company.

## 20 Contingent liabilities

From time to time the Group may be engaged in litigation in the ordinary course of business. The Group carries professional indemnity insurance. There are currently no contingent liabilities expected to have a material adverse financial impact on the Group's consolidated results or net assets.

## 21 Related party transactions

The Group's related parties are unchanged from those reported in the full year financial statements for the year ended 29 February 2024. There have been no significant related party transactions in the six months ended 31 August 2024. For further information about the Group's related parties, please refer to the Group's Annual Report 2024.

## 22 Events after the reporting date

There were no significant non-adjusting events between the reporting date and the date these condensed interim financial statements were authorised for issue.

## Statement of directors' responsibilities

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting; and
- the interim management report includes a fair review of the information required by:
  - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

**By order of the board**

**James Gundy**  
Group Chief Executive Officer

**Grant Foley**  
Group Chief Financial Officer

**5 November 2024**

## INDEPENDENT REVIEW REPORT TO BRAEMAR PLC

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2024 which comprises the Condensed Consolidated Income Statement, Condensed Consolidated Cash Flow Statement, Condensed Statement of Changes in Equity, Condensed Consolidated Balance Sheet and Unaudited Notes to Financial Statements.

### Basis for conclusion



We conducted our review in accordance with Revised International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410 (Revised)"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

#### **Conclusions relating to going concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410 (Revised), however future events or conditions may cause the group to cease to continue as a going concern.

#### **Responsibilities of directors**

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the review of the financial information**

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

#### **Use of our report**

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP  
Chartered Accountants  
London, UK  
5 November 2024

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